

HOUSE BILL NO. 1429

Introduced by

Representatives Novak, Koppelman, Louser, J. Olson, S. Olson, Porter, M. Ruby, Thomas
Senators Elkin, Magrum, Rummel

1 A BILL for an Act to create and enact a new section to chapter 54-06 of the North Dakota
2 Century Code, relating to state contracts with certain companies that boycott energy, mining,
3 and production agriculture.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 54-06 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Prohibition on contracts - Boycotting critical state sectors.**

8 1. As used in this section:

- 9 a. "Boycott" means without any ordinary business purpose, refusing to deal with,
10 terminating business activities with, or otherwise taking any action intended to
11 penalize, inflict economic harm on, or limit commercial relations with a company
12 because the company:
- 13 (1) Engages in the exploration, production, utilization, transportation, sale, or
14 manufacturing of fossil fuel-based energy or mining and does not commit or
15 pledge to meet environmental standards beyond applicable federal and
16 state law;
- 17 (2) Engages in production agriculture;
- 18 (3) Engages in, facilitates, or supports the manufacture, import, distribution,
19 marketing, advertising, sale, or lawful use of firearms, ammunition, or
20 components, parts, and accessories of firearms or ammunition; or
- 21 (4) Does business with a company engaged in the activities described in this
22 subdivision.
- 23 b. "Company" means a for-profit organization, association, corporation, partnership,
24 joint venture, limited partnership, limited liability partnership, or limited liability

1 company, including a wholly owned subsidiary, majority-owned subsidiary, parent
2 company, or affiliate of those entities or business associations which exists to
3 make a profit. For purposes of this section, "company" does not include a sole
4 proprietorship.

5 c. "Governmental entity" means a state agency or political subdivision of this state.

6 2. This section applies to a contract between a governmental entity and a company with
7 ten or more full-time employees which has a value of one hundred thousand dollars or
8 more which is to be paid wholly or in part from public funds.

9 3. Except as provided in subsection 4, a governmental entity may not enter a contract
10 with a company for goods or services unless the contract contains a written verification
11 the company:

12 a. Does not boycott energy and production agriculture;

13 b. Will not boycott energy and production agriculture during the term of the contract;
14 and

15 c. Is not included on a list of financial institutions not eligible to receive investments
16 of state funds by the state investment board.

17 4. Subsection 3 does not apply to a contract if the governmental entity determines and
18 documents the goods or services are not otherwise available on commercially
19 reasonable terms or if subsection 3 is inconsistent with the governmental entity's
20 constitutional or statutory duties.